



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

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## COMPANY ORDERED TO HALT SALES OF LIFE INSURANCE INVESTMENTS

PHOENIX – The Arizona Corporation Commission has ordered three out-of-state companies and their local marketing director to cease and desist from sales of life insurance investments, known as viatical settlement contracts. The companies involved in the action are: Accelerated Success, Inc. of Las Vegas, Integrity Assured Life Settlements, Inc. of Bear, Delaware, and Steven S. Levine Chartered of Owings Mills, Maryland. They are accused of fraudulently offering unregistered securities in the form of viaticals to Arizona investors. Named along with the companies are Ken Morris, president of Accelerated Success, Robert Pierson, Mesa, who is marketing director for Integrity, and Steven Levine, who does business under his own name.

The Order came as the result of an investigation by the Commission's Securities Division. "We believe we caught this before anyone invested in the unregistered viaticals," said Mark Sendrow, Director of the Securities Division. The respondents have 10 days in which to request a hearing to contest the allegations.

A viatical settlement contract allows an investor to purchase an interest in the life insurance of a terminally ill person. Viaticals came into vogue with the rise of AIDS when terminally ill patients began cashing in their life insurance policies to provide for their continued care and comfort. The patient would receive cash representing a fraction of the life insurance policy's face value. The investor ultimately receives the proceeds of the life insurance policy, less any commissions, upon the death of the patient.

Mark Sendrow, Director of the Securities Division, advised that, "Investing in viatical settlements can be very risky, because investors often have no control over the insurance policy or access to the experts who evaluated the insured's life expectancy."

Accelerated Success, Integrity Assured Life Settlements and Steven S. Levine Chartered promised “insured” returns ranging from 12 to 60 percent. The Securities Division alleges, however, that the returns were wholly dependent on the financial stability of the three companies.

The Securities Division alleges that the named respondents were selling securities that, by statute, need to be granted an exemption from registration. Without the exemption, the respondents are selling unregistered investments. Additionally, the statute requires that the companies provide investors with certain disclosures about the viatical program being sold.

The Division also alleged that the respondents committed fraud in that they failed to disclose to investors that the principals of Integrity had been sued in an earlier viatical business for fraud and the improper diversion of funds. Those same individuals also owned a viatical business that was placed in receivership by the Maryland Attorney General’s Office in October 2000.

Investors are encouraged to check out the Commission’s website for more information on viaticals at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us), or to contact the Securities Division of the Arizona Corporation Commission at 602-542-4242 or toll free at 1-877-811-3878 if they have questions about such investments.

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